

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7028**

**BILL NUMBER:** HB 1292

**NOTE PREPARED:** Jan 6, 2013

**BILL AMENDED:**

**SUBJECT:** Gasoline Tax.

**FIRST AUTHOR:** Rep. Bauer

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill increases the gasoline tax rate by \$0.02 per gallon (from \$0.18 to \$0.20 per gallon) for gasoline with an octane number greater than 87. It allocates the revenue attributable to the \$0.02 rate increase to the repair of bridges by the state (50%) and local government (50%) based on those repairs that address safety concerns that have the highest priority using the most recent bridge inspection report for each bridge.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** *Department of State Revenue (DOR)* - The bill will require DOR to tax different grades of gas (regular, midgrade, premium) at different rates. This will require additional forms and processing on the part of DOR.

*Indiana Department of Transportation (INDOT)* - INDOT will administer the bridge fund created by this bill. INDOT will be responsible for awarding grants to localities, based on a needs assessment that utilizes bridge inspection reports for each bridge. INDOT's Central Office Bridge Inspection & Inventory Section submits annual inspection inventory and inspection information on all Indiana bridges (including county-owned bridges) to the Federal Highway Administration. Therefore, the bill's requirements are within INDOT's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

**Background Information:** According to the Energy Information Administration, regular gasoline is gasoline

having an antiknock index/octane rating greater than or equal to 85 and less than 88. Midgrade gasoline is defined as gasoline having an antiknock index/octane rating of greater than or equal to 88 and less than or equal to 90. Premium gasoline is gasoline having an antiknock index/octane rating of greater than 90.

**Explanation of State Revenues:** The rate increase from \$0.18 to \$0.20 on midgrade and premium gas should net approximately \$5.4 M per year (using FY 2012 gallons sold as a baseline) for bridge repair. Of this amount, INDOT will be able to keep \$2.7 M for state bridge repairs. The remaining \$2.7 M will be awarded to counties and municipalities for bridge repair, based on need as determined by INDOT.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** See *Explanation of State Revenues*.

**State Agencies Affected:** INDOT, DOR.

**Local Agencies Affected:** Counties, cities, and towns.

**Information Sources:** Energy Information Administration - Indiana Sales to End Users, Total Refiner Motor Gasoline Sales Volumes; *Indiana Handbook of Taxes, Revenues, and Appropriations FY 2012*; Indiana Department of Transportation Website (<http://www.in.gov/dot/div/contracts/standards/bridge/bridgeinspect.htm>).

**Fiscal Analyst:** Stephanie Wells, 232-9866.